

**UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

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**CONSOLIDATED FINANCIAL STATEMENTS AND  
SEPARATE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

## **REPORT OF THE AUDITOR**

To The Shareholders and Board of Directors of  
Unique Mining Services Public Company Limited and Its Subsidiary

I have audited the consolidated balance sheet of Unique Mining Services Public Company Limited and its subsidiary as at December 31, 2007 and 2006, the related consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended and the balance sheet of Unique Mining Services Public Company Limited as at December 31, 2007 and 2006, and the related statement of income, changes in shareholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Unique Mining Services Public Company Limited and its subsidiary as at December 31, 2007 and 2006, and the consolidated results of their operations, the consolidated changes in their shareholders' equity and their consolidated cash flows for the years then ended, and the financial position of Unique Mining Services Public Company Limited as at December 31, 2007 and 2006, and the results of its operations, the changes in its shareholders' equity and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

(Miss Chantira Wongsri - Udomporn)

Certified Public Accountant

Registration No. 4996

Dharmniti Auditing Company Limited

Bangkok, Thailand

February 7, 2008

2008/125/8186

**UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

**BALANCE SHEETS**

**AS AT DECEMBER 31, 2007 AND 2006**

		<u>ASSETS</u>			
		Baht			
		Consolidated		The Company's Balance Sheet Only	
		Balance Sheet			
Note		2007	2006	2007	2006
<b>Current assets</b>					
	Cash and cash equivalents	3.14, 4 140,612,101.35	50,606,789.64	124,654,974.65	45,606,789.64
	Trade accounts receivable, net	3.2, 5 400,119,629.84	180,128,990.44	399,389,714.90	180,128,990.44
	Inventories, net	3.3, 6 415,095,004.07	454,528,077.06	415,914,688.58	454,528,077.06
	Other current assets	7 10,395,907.37	6,085,416.61	8,863,349.84	6,197,459.61
	Total current assets	<u>966,222,642.63</u>	<u>691,349,273.75</u>	<u>948,822,727.97</u>	<u>686,461,316.75</u>
<b>Non-current assets</b>					
	Investment by using the equity method	3.5, 8 -	-	35,000,000.00	5,000,000.00
	Property , plant and equipment, net	3.4, 9 479,022,924.34	156,440,061.92	448,066,608.30	156,440,061.92
	Improvement and temporary building on leasehold				
	land, net	3.4, 10 2,537,476.65	2,030,939.12	2,537,476.65	2,030,939.12
<b>Other non-current assets</b>					
	Non-operated assets, net	3.6, 11 2,709,000.00	2,709,000.00	2,709,000.00	2,709,000.00
	Others	3.8, 12 9,010,357.87	5,623,449.94	7,371,222.77	5,623,449.94
	Total non-current assets	<u>493,279,758.86</u>	<u>166,803,450.98</u>	<u>495,684,307.72</u>	<u>171,803,450.98</u>
	<b>TOTAL ASSETS</b>	<u><u>1,459,502,401.49</u></u>	<u><u>858,152,724.73</u></u>	<u><u>1,444,507,035.69</u></u>	<u><u>858,264,767.73</u></u>

Notes to financial statements form an integral part of these statements.

**UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

**BALANCE SHEETS (CONT.)**

**AS AT DECEMBER 31, 2007 AND 2006**

**LIABILITIES AND SHAREHOLDERS' EQUITY**

	Note	Baht			
		Consolidated		The Company's Balance Sheet Only	
		Balance Sheet			
		2007	2006	2007	2006
<b>Current liabilities</b>					
Bank overdraft and short-term loans					
from financial institutions	13	539,630,697.00	344,645,915.16	539,630,697.00	344,645,915.16
Trade accounts payable		13,731,872.26	-	885,308.82	-
Current portion of liability under debt restructuring agreement	15	-	9,056,557.17	-	9,056,557.17
Current portion of long-term loans					
from financial institutions	16	5,940,000.00	-	5,940,000.00	-
Current portion of liabilities under financial leases	17	5,471,493.37	684,671.41	1,202,148.93	684,671.41
Current portion of liabilities under hire-purchase contracts	18	208,283.22	180,655.00	208,283.22	180,655.00
Accrued expenses		42,484,621.46	26,358,460.63	50,492,957.96	26,328,460.63
Accrued income tax		58,669,056.80	23,181,695.41	58,669,056.80	23,181,695.41
Subscription received		42,738,850.00	-	42,738,850.00	-
Other current liabilities		33,598,341.37	11,524,248.71	34,265,190.03	11,524,248.71
<b>Total current liabilities</b>		<b>742,473,215.48</b>	<b>415,632,203.49</b>	<b>734,032,492.76</b>	<b>415,602,203.49</b>
<b>Non-current liabilities</b>					
Liabilities under debt restructuring agreement, net	15	-	2,823,651.43	-	2,823,651.43
Long-term loan from financial institutions, net	16	1,302,000.00	-	1,302,000.00	-
Liabilities under financial leases, net	17	17,153,852.31	369,995.88	3,614,143.12	369,995.88
Liabilities under hire-purchase contracts, net	18	409,278.93	144,685.63	409,278.93	144,685.63
<b>Total non-current liabilities</b>		<b>18,865,131.24</b>	<b>3,338,332.94</b>	<b>5,325,422.05</b>	<b>3,338,332.94</b>
<b>TOTAL LIABILITIES</b>		<b>761,338,346.72</b>	<b>418,970,536.43</b>	<b>739,357,914.81</b>	<b>418,940,536.43</b>

Notes to financial statements form an integral part of these statements.

**UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND SUBSIDIARY**  
**BALANCE SHEETS (CONT.)**  
**AS AT DECEMBER 31, 2007 AND 2006**

**LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)**

	Note	Baht			
		Consolidated		The Company's Balance Sheet Only	
		Balance Sheet			
		2007	2006	2007	2006
Shareholders' equity					
Share capital	19				
Authorized share capital					
210,000,000 ordinary shares, Baht 0.50 each		105,000,000.00		105,000,000.00	
70,000,000 ordinary shares, Baht 1.00 each			70,000,000.00		70,000,000.00
Issued and fully paid-up share capital					
140,000,000 ordinary shares, Baht 0.50 each		70,000,000.00		70,000,000.00	
70,000,000 ordinary shares, Baht 1.00 each			70,000,000.00		70,000,000.00
Additional paid-up capital					
Premium on share capital		134,230,000.00	134,230,000.00	134,230,000.00	134,230,000.00
Retained earnings					
Appropriated					
Legal reserve	20, 21	7,000,000.00	7,000,000.00	7,000,000.00	7,000,000.00
Unappropriated		486,934,054.77	227,952,188.30	493,919,120.88	228,094,231.30
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>698,164,054.77</b>	<b>439,182,188.30</b>	<b>705,149,120.88</b>	<b>439,324,231.30</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>1,459,502,401.49</b>	<b>858,152,724.73</b>	<b>1,444,507,035.69</b>	<b>858,264,767.73</b>

Notes to financial statements form an integral part of these statements.

**UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**STATEMENTS OF INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

		Baht			
		Consolidated		The Company's	
		Statements of Income		Statements Income Only	
Note		2007	2006	2007	2006
<b>Revenues</b>					
	Sales	3.1 2,438,128,810.17	1,373,006,434.07	2,438,128,810.17	1,373,006,434.07
	Service income	30,604,327.57	-	-	-
	Gain on exchange rate	1,998,415.27	286,835.70	1,998,415.27	286,835.70
	Gain on disposal of fixed assets	796,390.38	342,651.11	939,172.51	342,651.11
	Other income	10,414,718.26	5,798,534.43	8,013,758.64	5,798,534.43
	<b>Total revenues</b>	<b>2,481,942,661.65</b>	<b>1,379,434,455.31</b>	<b>2,449,080,156.59</b>	<b>1,379,434,455.31</b>
<b>Expenses</b>					
	Cost of sales	3.1 1,687,182,066.74	953,335,711.76	1,687,182,066.74	953,335,711.76
	Cost of service	27,859,849.99	-	-	-
	Selling and administrative expenses	286,668,963.19	190,657,189.09	275,905,754.76	190,515,146.09
	<b>Total expenses</b>	<b>2,001,710,879.92</b>	<b>1,143,992,900.85</b>	<b>1,963,087,821.50</b>	<b>1,143,850,857.85</b>
	Profit before interest and income tax expenses	480,231,781.73	235,441,554.46	485,992,335.09	235,583,597.46
	Interest expenses	3.1 21,838,879.63	16,989,849.89	21,676,487.70	16,989,849.89
	Income tax	3.15 94,411,035.63	44,748,867.24	93,490,957.81	44,748,867.24
	<b>Net profit</b>	<b>363,981,866.47</b>	<b>173,702,837.33</b>	<b>370,824,889.58</b>	<b>173,844,880.33</b>
<b>Earnings per share</b>					
	Net profit	3.18, 23 2.60	1.24	2.65	1.24

Notes to financial statements form an intergral part of these statements.

**UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

Baht						
Consolidated statements of changes in shareholders' equity						
Note	Ordinary shares, issued and paid-up	Premium on share capital	Retained earnings		Total	
			Appropriated legal reserve	Unappropriated		
Beginning balance, as at						
	January 1, 2006	70,000,000.00	134,230,000.00	6,726,962.16	194,522,388.81	405,479,350.97
	Net profit for the year 2006	-	-	-	173,702,837.33	173,702,837.33
	Legal reserve	20	-	273,037.84	(273,037.84)	-
	Dividend paid	21	-	-	(140,000,000.00)	(140,000,000.00)
Ending balance, as at						
	December 31, 2006	70,000,000.00	134,230,000.00	7,000,000.00	227,952,188.30	439,182,188.30
	Net profit for the year 2007	-	-	-	363,981,866.47	363,981,866.47
	Legal reserve	20	-	-	-	-
	Dividend paid	21	-	-	(105,000,000.00)	(105,000,000.00)
Ending balance, as at						
	December 31, 2007	70,000,000.00	134,230,000.00	7,000,000.00	486,934,054.77	698,164,054.77

Notes to financial statements form an integral part of these statements

**UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)**  
**FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

Baht							
The Company statements of changes in shareholders' Only							
Note	Ordinary shares, issued and paid-up	Premium on share capital	Retained earnings		Total		
			Appropriated legal reserve	Unappropriated			
Beginning balance, as at							
	January 1, 2006	70,000,000.00	134,230,000.00	6,726,962.16	194,522,388.81	405,479,350.97	
	Net profit for the year 2006	-	-	-	173,844,880.33	173,844,880.33	
	Legal reserve	20	-	-	273,037.84	(273,037.84)	-
	Dividend paid	21	-	-	-	(140,000,000.00)	(140,000,000.00)
Ending balance, as at							
	December 31, 2006	70,000,000.00	134,230,000.00	7,000,000.00	228,094,231.30	439,324,231.30	
	Net profit for the year 2007	-	-	-	370,824,889.58	370,824,889.58	
	Legal reserve	20	-	-	-	-	-
	Dividend paid	21	-	-	-	(105,000,000.00)	(105,000,000.00)
Ending balance, as at							
	December 31, 2007	70,000,000.00	134,230,000.00	7,000,000.00	493,919,120.88	705,149,120.88	

Notes to financial statements form an intergral part of these statemments

**UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

**STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

	Baht			
	Consolidated Statements		The Company's Statements	
	of Cash Flows		of Cash Flows Only	
	2007	2006	2007	2006
Cash flows from operating activities				
Net profit	363,981,866.47	173,702,837.33	370,824,889.58	173,844,880.33
Reconciliations of net income to net cash provided by (used in) operating activities:				
Impairment loss on non-operated assets	-	2,015,212.00	-	2,015,212.00
Depreciation	17,508,403.79	14,313,484.90	16,591,073.50	14,313,484.90
Allowance for doubtful (other receivable)	7,894,516.43	-	1,559,822.39	-
Amortization of intangible asset	561,475.74	666,078.96	560,116.84	666,078.96
(Gains) loss on disposal of fixed assets	(796,390.38)	(342,651.11)	(939,172.51)	(342,651.11)
Unrealized (gain) loss on exchange rate	(1,176,064.85)	51,064.69	(1,176,064.85)	51,064.69
Net profit provided by operating activities				
before changes in operating assets and liabilities	387,973,807.20	190,406,026.77	387,420,664.95	190,548,069.77
(Increase) decrease in operating assets				
Trade accounts receivable	(221,550,461.79)	(27,746,218.56)	(220,820,546.85)	(27,746,218.56)
Inventories	39,433,072.99	(114,473,582.61)	38,613,388.48	(114,473,582.61)
Other current assets	(10,645,184.80)	4,166,518.85	(2,665,890.23)	4,054,475.85
Other non-current assets	(1,908,383.67)	(2,038,450.88)	(427,889.67)	(2,038,450.88)
Increase (decrease) in operating liabilities				
Trade accounts payable	13,731,872.26	-	885,308.82	-
Accrued expenses	16,126,160.83	757,207.09	24,164,497.33	727,207.09
Accrued income tax	35,487,361.39	637,782.39	35,487,361.39	637,782.39
Other current liabilities	22,074,092.66	8,180,203.40	22,740,941.32	8,180,203.40
Net cash provided by (used in) operating activities	280,722,337.07	59,889,486.45	285,397,835.54	59,889,486.45

Notes to financial statements form an integral part of these statements.

**UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**STATEMENTS OF CASH FLOWS (CONT.)**  
**FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

	Baht			
	Consolidated Statements		The Company's Statements	
	of Cash Flows		of Cash Flows Only	
	2007	2006	2007	2006
Cash flows from investing activities				
Cash paid for subscription in subsidiary	-	-	(30,000,000.00)	(5,000,000.00)
Cash paid for prepaid rental of land	(1,800,000.00)	(2,000,000.00)	(1,800,000.00)	(2,000,000.00)
Cash paid for purchase of fixed assets	(318,128,239.04)	(43,904,802.72)	(304,511,810.58)	(43,904,802.72)
Proceeds from disposal of fixed assets	2,449,161.68	2,234,046.50	2,449,161.68	2,234,046.50
(Increase) in intangible assets	(240,000.00)	(408,340.00)	(80,000.00)	(408,340.00)
(Increase) decrease in deposit pledged as collateral	-	339,090.91	-	339,090.91
Net cash provided by (used in) investing activities	(317,719,077.36)	(43,740,005.31)	(333,942,648.90)	(48,740,005.31)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term				
loan from financial institutions	196,160,846.69	100,335,360.81	196,160,846.69	100,335,360.81
Payment of liability under debt restructuring agreement	(11,880,208.60)	(8,507,651.40)	(11,880,208.60)	(8,507,651.40)
Cash received from long-term loans from institutions	14,852,000.00	-	14,852,000.00	-
Payment of long-term loans	(7,610,000.00)	-	(7,610,000.00)	-
Payment of liabilities under financial leases	(2,029,321.61)	(2,324,632.13)	(1,438,375.24)	(2,324,632.13)
Payment of liabilities under hire-purchase contracts	(230,114.48)	(274,692.77)	(230,114.48)	(274,692.77)
Payment of cash dividend	(105,000,000.00)	(140,000,000.00)	(105,000,000.00)	(140,000,000.00)
Cash received from exercise warrants	42,738,850.00	-	42,738,850.00	-
Net cash provided by (used in) financing activities	127,002,052.00	(50,771,615.49)	127,592,998.37	(50,771,615.49)
Net increase (decrease) in cash and cash equivalents, net	90,005,311.71	(34,622,134.35)	79,048,185.01	(39,622,134.35)
Cash and cash equivalents - beginning of year	50,606,789.64	85,228,923.99	45,606,789.64	85,228,923.99
Cash and cash equivalents - ending of year	140,612,101.35	50,606,789.64	124,654,974.65	45,606,789.64

Notes to financial statements form an integral part of these statements.

**UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**STATEMENTS OF CASH FLOWS (CONT.)**  
**FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

	Baht			
	Consolidated Statements		The Company's Statements	
	of Cash Flows		of Cash Flows Only	
	2007	2006	2007	2006
Supplemental disclosure of cash flows information:-				
1. Cash paid during the years for:				
Interest expenses	22,385,269.68	15,926,677.77	22,222,877.75	15,926,677.77
Income tax	58,923,674.24	44,111,084.85	58,003,596.42	44,111,084.85
2. During the year 2007, the Company and its subsidiary acquired fixed assets by means of lease agreement in consolidated statements and company's statements in the amount Baht 23,600,000.00 and Baht 5,200,000.00, respectively, and hire -purchase contract in Company's statements in the amount of Baht 522,336.00				

Notes to financial statements form an integral part of these statements.

**UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007 AND 2006**

1. GENERAL INFORMATION

(a) Legal status and address

The Company was registered to be a limited company on March 17, 1994.

According to the 1<sup>st</sup> and 2<sup>nd</sup> extraordinary shareholders' meetings held on January 14, 2004 and January 30, 2004, respectively, the shareholders unanimously approved to change the Company's status to be the public company limited. On February 17, 2004, the Company had registered the above resolution with the Ministry of Commerce

The address of its registered office is as follows:

36/83 P.S. Tower Floor 24<sup>th</sup> Soi Sukhumvit 21 (Asoke), Sukhumvit Road, Klongtoey Nua, Wattana, Bangkok 10110, Thailand.

(b) Nature of the Company's operations

The principal business operations of the Company is sale of coal for domestic industrial usages.

The subsidiaries's business that are closely relate to the Company's main business are producing and selling coalbriquette, transportation by truck and ship.

(c) Employees

As at December 31, 2007 and 2006, the Company hires 312 employees and 238 employees, respectively.

(d) Supplemental disclosure of revenue and expenses information

Supplemental disclosure of revenue and expenses information for the years ended December 31, 2007 and 2006 are as follows:-

	Baht			
	Consolidated		The Company's Only	
	2007	2006	2007	2006
Depreciation charges and amortized expense	18,069,879.53	14,979,563.86	17,151,190.34	14,979,563.86
Staff cost	78,741,692.88	58,646,311.82	76,152,771.91	58,646,311.82
Gain (loss) on exchange rate	1,198,415.27	286,835.70	1,998,415.27	286,835.70
Directors' remuneration	2,544,000.00	2,373,000.00	2,496,000.00	2,373,000.00

2. STANDARD BASIS OF PREPARATION

2.1 Basis for the preparation of financial statements

2.1.1 The Company and its subsidiary financial statements are prepared in accordance with generally accepted accounting principles and accounting standards prescribed by Accounting Act and presented accordingly to the Instruction of the Department of Business Development, the Ministry of Commerce for Public Company Limited., B.E. 2544 which are promulgated by the Federation of Accounting Professions ("FAP") B.E. 2547.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

**UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2007 AND 2006**

2.1.2 Adoption of new accounting standards during the period

The Federation of Accounting Professions (FAP) has issued Notification No. 9/2550 dated May 2, 2007, No.38/2550 dated September 21, 2007 and No. 62/2550 dated December 7, 2007 regarding Thai Accounting Standards (TAS), which were announced in the Royal Gazette. The Notifications require mandating of the new Thai Accounting Standards (Revised 2007) which consist of 13 sets of standards instead of using the cancelled pervious versions.

TAS 25 Cash Flow Statements

TAS 33 Borrowing Costs

TAS 44 Consolidated Financial Statement and Separate Financial Statements

TAS 45 Investments in Associates

TAS 46 Interests in Joint Ventures

TAS 49 Construction Contracts

TAS 35 Financial Reporting and Presentation

TAS 39 Changes in Accounting Policies and Estimates, and Corrections of Errors

TAS 41 Interim Financial Reporting

TAS 29 Leases

TAS 31 Inventory

TAS 43 Business Combinations

TAS 51 Intangible Assets

Thai Accounting Standards effective for the current year

Thai Accounting Standards No. 44 and 45 become effective for the financial statements for fiscal years beginning on or after January 1, 2007. Thai Accounting Standards No. 46 is not relevant to the Company's business.

Thai Accounting Standards not effective for the current year but they will become effective for the financial statements for fiscal years beginning on or after January 1, 2008. The management has assessed the effect of these revised accounting standards and classified them subject to its material impact level to the Company's financial statement as follows:

Revised Thai Accounting Standards that have insignificant impact to the Company's financial statement are the Thai Accounting Standards No. 25, 33, 35, 39, 41, 29, 31 and 51. The management believes that these revised accounting standards will not have significant impact to the Company's financial statement.

**UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2007 AND 2006**

Revised Thai Accounting Standards that have no any impact to the Company's financial statement are the Thai Accounting Standards No. 49 and 43. The management believes that these revised accounting standards will not precisely relevant to the Company's business.

2.2. Principles of consolidation of financial statements

2.2.1 The accompanying interim consolidated financial statements include the accounts of Unique Mining Services Public Company Limited and the following subsidiaries are owned directly and indirectly by the Company :-

	Registered share capital (million Baht)	Percentage of Holding by direct and indirect way		Nature of Business
		2007	2006	
UMS Coalbriquette Co., Ltd.	20	100.00	100.00	Producing and Selling Coalbriquette
UMS Lighter Co., Ltd.	20	100.00	-	Ship transportation service
UMS Transportation Co., Ltd.	10	100.00	-	Truck transportation service

2.2.2 The acquisition of subsidiaries are recorded by Purchase Method.

2.2.3 Significant intercompany transactions between the Company and subsidiaries have been eliminated.

2.2.4 The consolidated financial statements are prepared by using uniform accounting policies for like transaction and other event in similar circumstances.

As at December 31, 2007, the Company's subsidiaries which consisted of UMS Coalbriquette Co., Ltd., UMS Lighter Co., Ltd. and UMS Transportation Co., Ltd. holds their registered share capitals in the amount of Baht 20 million, 20 million, and 10 million, respectively, and the share capitals had been issued and paid-up in the amount of Baht 5 million, 20 million, and 10 million which had been settled by the Company, respectively.

As at December 31, 2006, the Company's subsidiaries which consisted of UMS Coalbriquette Co., Ltd. holds their registered share capitals in the amount of Baht 20 million, and the share capitals had been issued and paid-up in the amount of Baht 5 million.

**UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2007 AND 2006**

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue and expenses

The Company and its subsidiary recognizes the revenues on sales upon delivery of goods to the customers.

The Company and its subsidiary recognizes the revenue on transportation service upon delivery completed and on the accrual basis.

The Company and its subsidiary recognized other income and expenses on the accrual basis.

3.2 Allowance for doubtful accounts

The Company and its subsidiary provide allowance for doubtful account equal to the estimated collection losses that may be incurred in the collection of all receivables. The estimated losses are based on historical collection experience and a review of the current status of the existing receivables.

3.3 Inventories

Inventories are presented on the balance sheet at the lower of cost or net realizable value, cost being determined on the average basis.

The Company and its subsidiary review and recognize the provision for physical losing stock in respect of actual checking result.

3.4 Depreciation and amortization

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation.

Depreciation and amortization is calculated on the straight-line method over the estimated useful life of the assets as follows:

Land	No depreciation
Leasehold land improvement	3 years and 10 years (per land lease agreements)
Temporary building	3 years (per land lease agreements)
Equipment	5 years
Vehicles	5 years
Barge	1 years
	0
Office equipment	5 years
Computer equipment	5 years

**UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2007 AND 2006**

3.5 Investments

Long-term investment is stated at cost, net of allowance for impairment (if any) for the Company's financial statement.

The Company recognizes loss from impairment (if any) of the investments into profit and loss statement.

3.6 Assets not used in operation

Assets not used in operation are presented on the balance sheet at the lower of cost or net realizable value.

3.7 Deferred interest

The Company and its subsidiary amortizes deferred interest on hire-purchase contracts by the straight-line method over the contract period and on financial lease agreements by the effective interest rate basis.

3.8 Intangible assets

Intangible assets are stated at cost less accumulated amortization. Amortisation of intangible assets is calculated by referring to their cost on the straight-line basis over the following estimated useful lives:-

Computer software 3 years

3.9 Foreign currency transactions

Transactions in foreign currencies throughout the years are recorded in Baht at prevailing Bank of Thailand rates at the transaction dates. Outstanding monetary assets and liabilities denominated in foreign currencies at the balance sheet dates are translated into Baht at the prevailing rates at those dates. Gain or loss arising from translation are credited or charged against current operations.

3.10 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

**UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2007 AND 2006**

3.11 Using of Accounting Estimation

Preparation of financial statements in conformity with generally accepted accounting principles in Thailand requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

3.12 Finance lease

Leases of assets that substantially transfer to the Company all the rewards and risks of ownership of assets and that the Company intends to exercise the option of the leases to purchase the assets at the expiration of the lease term, are accounted for as finance leases.

At the inception of a finance lease, the cost of the asset is recorded together with the obligation, excluding the interest element, to pay future rentals. Finance charges are charged to the current period operations in proportion to the capital balances outstanding.

Deferred interest is amortized by the effective rate over the period of lease agreements.

3.13 Operating Lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under an operating lease are recognized as expense on a straight-line basis over the lease term.

3.14 Cash and cash equivalents

Cash and cash equivalents consist of cash and deposits at financial institution with an original maturity of 3 months or less and excluded cash at banks which are used for guarantee.

3.15 Income tax

Corporate income tax is calculated from net income for the periods adjusted by the items defined under the Revenue Code as taxable or non-taxable income and expense at the rate of 20% per annum.

3.16 Financial instruments

The Company and its subsidiary have no policy to speculate in or engage in the trading of any financial derivative instruments.

**UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2007 AND 2006**

3.17 Provident Fund

The Company and its subsidiary registered provident fund scheme together with their employees under Provident Fund Act. B.E. 2530. The Company and its subsidiary contributed to the fund as the same rate of the employees on monthly basis. The employees will be refunded upon termination in accordance with the rules of the fund.

3.18 Earning per share

Basis earnings per share is determined by dividing net earnings (loss) for the year by the weighted average number of ordinary shares held by outsiders and outstanding during the year.

3.19 Impairment of assets

The Company and its subsidiary review the impairment of assets whenever events indicate that the carrying value of an asset exceeds its realizable value which is determined by an asset's net selling price and its value in use whichever is higher. The value in use is derived from the management's estimates and assumptions.

In case of the asset's carrying value is exceed its realizable value, the impairment loss on the asset will be recognized as an expenses in the period impaired under the income statement. The Company and its subsidiary will reverse the said impairment loss when there are indications that the value of the asset is no longer impaired or declining in the amount of impairment.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of:-

		Baht			
		Consolidated		The Company Only	
		2007	2006	2007	2006
Cash on hand		249,598.79	199,654.80	216,498.79	199,654.80
Deposits at financial institutions	- current accounts	51,158,565.89	8,959,275.06	51,394,246.01	3,959,275.06
	- savings accounts	89,203,936.67	41,447,859.78	73,044,229.85	41,447,859.78
		<u>140,612,101.35</u>	<u>50,606,789.64</u>	<u>124,654,974.65</u>	<u>45,606,789.64</u>

5. TRADE ACCOUNTS RECEIVABLE, NET

Trade accounts receivable, net consisted of:-

		Baht			
		Consolidated		The Company Only	
		2007	2006	2007	2006
Note receivable		17,015,383.10	7,539,201.03	17,015,383.10	7,539,201.03
Trade accounts receivable		384,664,069.13	172,597,093.59	383,934,154.19	172,597,093.59
Less allowance for doubtful accounts		<u>(1,559,822.39)</u>	<u>(7,304.18)</u>	<u>(1,559,822.39)</u>	<u>(7,304.18)</u>

Net	<u>400,119,629.84</u>	<u>180,128,990.44</u>	<u>399,389,714.90</u>	<u>180,128,990.44</u>
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**UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2007 AND 2006**

Trade accounts receivable classified by ages of accounts as follow:-

	Consolidated			
	2007		2006	
	Accounts	Baht	Accounts	Baht
Under 3 months	150	382,547,944.85	126	171,628,797.95
Over 3 month to 6 months	1	1,896,978.65	3	437,706.11
Over 6 month to 12 months	1	219,145.63	2	523,285.35
Over 12 months	-	-	1	7,304.18
Total		<u>384,664,069.13</u>		<u>172,597,093.59</u>

	The Company Only			
	2006		2005	
	Accounts	Baht	Accounts	Baht
Under 3 months	145	381,818,029.91	126	171,628,797.95
Over 3 month to 6 months	1	1,896,978.65	3	437,706.11
Over 6 month to 12 months	1	219,145.63	2	523,285.35
Over 12 months	-	-	1	7,304.18
Total		<u>383,934,154.19</u>		<u>172,597,093.59</u>

**6. INVENTORIES, NET**

Inventories, net consisted of:-

	Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Coal	415,095,004.07	454,528,077.06	415,914,688.58	454,528,077.06
Less allowance for physical losing stock	-	-	-	-
Net	<u>415,095,004.07</u>	<u>454,528,077.06</u>	<u>415,914,688.58</u>	<u>454,528,077.06</u>

The Company has conducted the physical count of its coal at the end as at December 31, 2007 and 2006. The Company has adjusted the book balance of coal to be the actual balance in respect of the checking result. Therefore the coal stock do not need to adjust an allowance for physical losing stock.

**7. OTHER CURRENT ASSETS**

Other current assets consist of:-

	Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Revenue department receivable	-	382,769.86	-	382,769.86
Supplies	3,553,564.01	1,339,861.50	3,516,684.02	1,339,861.50
Other receivable (note 28)	6,334,694.04	-	-	-
Less allowance for doubtful account	<u>(6,334,694.04)</u>	-	-	-
Other receivable, net	-	-	-	-

Other current assets	6,842,343.36	4,362,785.25	5,346,665.82	4,474,828.25
	<u>10,395,907.37</u>	<u>6,085,416.61</u>	<u>8,863,349.84</u>	<u>6,197,459.61</u>

**UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

**NOTES TO FINANCIAL STATEMENTS (CONT.)**

**DECEMBER 31, 2007 AND 2006**

**8. INVESTMENTS IN SUBSIDIARY COMPANY - COST METHOD**

		The Company's financial statement only								
		(Thousand Baht)								
		Percentage of Ownership				At Cost				
		(%)		Paid up shares		Amount		Equity method		
Type of business	Type of relationship	As at December 31, 2007	As at December 31, 2006	As at December 31, 2007	As at December 31, 2006	As at December 31, 2007	As at December 31, 2006	As at December 31, 2007	As at December 31, 2006	
<u>Subsidiary</u>										
<u>Companies</u>										
UMS Coalbriquette Co., Ltd.	Sale of coalbriquette	Shareholder	100.00	100.00	5,000.00	5,000.00	5,000.00	5,000.00	4,857.00	4,858.00
UMS Lighter Co., Ltd.	Boat conveyance	Shareholder	100.00	-	20,000.00	-	20,000.00	-	14,990.00	-
UMS Transport Co., Ltd.	Road transport	Shareholder	100.00	-	10,000.00	-	10,000.00	-	8,340.00	-
						<u>35,000.00</u>	<u>5,000.00</u>	<u>28,187.00</u>	<u>4,858.00</u>	

Investment in subsidiary company is common stock in UMS Coalbriquette Company Limited which comprise of 2 million shares, 10 Baht per share in the amount of Baht 20.00 million. As at December 31, 2007 and 2006 the Company has fully paid for investment in ordinary share of its subsidiary.

Investment in subsidiary namely, UMS Lighter Co., Ltd. comprises of 2.0 million shares, 10 Baht per share in the amount of Baht 20 million. As at December 31, 2007, the Company has fully paid for this investment in subsidiary's share capital.

Investment in subsidiary namely, UMS Transportation Co., Ltd. comprises of 0.1 million shares, 10 Baht per share in the amount of Baht 10 million. As at December 31, 2007, the Company has fully paid for this investment in subsidiary's share capital.

**UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

**NOTES TO FINANCIAL STATEMENTS (CONT.)**

**DECEMBER 31, 2007 AND 2006**

9. PROPERTY PLANT AND EQUIPMENT, NET

Property plant and equipment, net consisted of:-

	Baht				
	Consolidated				
	Balance per book	Movement during the year			Balance per book
	as at Dec. 31, 2006	Additions	Deduction		as at Dec. 31, 2007
<u>At cost</u>					
Land	86,345,061.02	175,164,189.85	-	261,509,250.87	
Land of condominium	832,464.86	-	-	832,464.86	
Condominium	1,323,535.14	-	-	1,323,535.14	
Warehouse's office building	220,000.00	-	-	220,000.00	
Vehicles	39,728,362.63	31,376,586.52	(4,770,549.54)	66,334,399.61	
Machine	8,637,611.00	8,217,878.74	-	16,855,489.74	
Equipment	34,670,808.80	15,915,723.75	(421,326.02)	50,165,206.53	
Barge	-	4,273,431.17	-	4,273,431.17	
Warehouse and port in progress	18,926,289.77	62,106,956.64	-	81,033,246.41	
Machine in progress	9,720,000.00	38,905,815.51	-	48,625,815.51	
Equipment in progress	-	1,590,453.06	-	1,590,453.06	
Barge in progress	-	2,721,754.72	-	2,721,754.72	
Total	<u>200,404,133.22</u>	<u>340,272,789.96</u>	<u>(5,191,875.56)</u>	<u>535,485,047.62</u>	
<u>Accumulated depreciation</u>					
Condominium	(121,656.43)	(66,176.80)	-	(187,833.23)	
Warehouse's office building	(13,501.36)	(43,999.97)	-	(57,501.33)	
Vehicles	(26,152,805.56)	(6,106,207.89)	3,421,287.36	(28,837,726.09)	
Machine	(3,572,789.53)	(2,535,455.07)	-	(6,108,244.60)	
Equipment	(14,103,318.42)	(7,053,382.41)	260,599.03	(20,896,101.80)	
Barge	-	(374,716.23)	-	(374,716.23)	
Total	<u>(43,964,071.30)</u>	<u>(16,179,938.37)</u>	<u>3,681,886.39</u>	<u>(56,462,123.28)</u>	
Net	<u>156,440,061.92</u>			<u>479,022,924.34</u>	

**UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

**NOTES TO FINANCIAL STATEMENTS (CONT.)**

**DECEMBER 31, 2007 AND 2006**

	Baht				
	The Company Only				
	Balance per book	Movement during the year			Balance per book
	as at Dec. 31, 2006	Additions	Deduction		as at Dec. 31, 2007
<u>At cost</u>					
Land	86,345,061.02	175,164,189.85	-	261,509,250.87	
Land of condominium	832,464.86	-	-	832,464.86	
Condominium	1,323,535.14	-	-	1,323,535.14	
Warehouse's office building	220,000.00	-	-	220,000.00	
Vehicles	39,728,362.63	8,102,691.60	(4,770,549.54)	43,060,504.69	
Machine	8,637,611.00	8,217,878.74	-	16,855,489.74	
Equipment	34,670,808.80	14,375,358.23	(421,326.02)	48,624,841.01	
Warehouse and port in progress	18,926,289.77	62,106,956.64	-	81,033,246.41	
Machine in progress	9,720,000.00	38,905,815.51	-	48,625,815.51	
Equipment in progress	-	1,526,253.06	-	1,526,253.06	
Total	<u>200,404,133.22</u>	<u>308,399,143.63</u>	<u>(5,191,875.56)</u>	<u>503,611,401.29</u>	
<u>Accumulated depreciation</u>					
Condominium	(121,656.43)	(66,176.80)	-	(187,833.23)	
Warehouse's office building	(13,501.36)	(43,999.97)	-	(57,501.33)	
Vehicles	(26,152,805.56)	(5,628,291.07)	3,421,287.36	(28,359,809.27)	
Machine	(3,572,789.53)	(2,535,455.07)	-	(6,108,244.60)	
Equipment	(14,103,318.42)	(6,988,685.17)	260,599.03	(20,831,404.56)	
Total	<u>(43,964,071.30)</u>	<u>(15,262,608.08)</u>	<u>3,681,886.39</u>	<u>(55,544,792.99)</u>	
Net	<u>156,440,061.92</u>			<u>448,066,608.30</u>	

As at December 31, 2007 and 2006, the Company makes use of its land in operating, as follow:

1) Land where locates at Suansom District, Baanpaew, Samutsakorn for the specific use of coal's site which consisted of warehouse, port and office building. The land consisted of 5 title deeds, 65-3-81 Rai in area. The cost of land including developing land surface charge are amount of Baht 93.00 million and Baht 80.29 million.

2) Altogether 11 title deeds of lands, 84-1-28 rai, in Tambol Klong Sa-kae, Amphur Nakornluang, Ayudhaya province are used for the coal warehouse and the Company has a future plan to build a pier alongside the wharf on this piece of land, too. The land plot has a cost price of Baht 170 million.

As at December 31, 2007 and 2006, the Company's land and construction in progress on the land where locates at Suansom District amounting to its book value of Baht 118.52 and 79.78 million respectively, were mortgaged to the bank overdrafts and long-term loan (Note 14) in the total credit line of Baht 215 million.

As at December 31, 2007, the Company had building, vehicle, machinery and equipment which were fully depreciated but still in use. The assets (at cost) amounted in total of Baht 33.76 million.

**UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2007 AND 2006**

10. IMPROVEMENT AND TEMPORARY BUILDING ON LEASEHOLD LAND, NET

Improvement and temporary building on leasehold land, net consisted of:-

	Baht			
	Consolidated			
	Balance per book as at Dec. 31, 2006	Movement during the year		
	Additions	Deduction		
<u>At cost</u>				
Leasehold land improvement	5,607,658.88	1,835,002.95	-	7,442,661.83
Temporary building	10,189,561.87	-	-	10,189,561.87
Total	15,797,220.75	1,835,002.95	-	17,632,223.70
<u>Accumulated depreciation</u>				
Leasehold land improvement	(4,398,971.47)	(625,029.66)	-	(5,024,001.13)
Temporary building	(9,367,310.16)	(703,435.76)	-	(10,070,745.92)
Total	(13,766,281.63)	(1,328,465.42)	-	(15,094,747.05)
Net	2,030,939.12			2,537,476.65

  

	Baht			
	The Company Only			
	Balance per book as at Dec. 31, 2006	Movement during the year		
	Additions	Deduction		
<u>At cost</u>				
Leasehold land improvement	5,607,658.88	1,835,002.95	-	7,442,661.83
Temporary building	10,189,561.87	-	-	10,189,561.87
Total	15,797,220.75	1,835,002.95	-	17,632,223.70
<u>Accumulated depreciation</u>				
Leasehold land improvement	(4,398,971.47)	(625,029.66)	-	(5,024,001.13)
Temporary building	(9,367,310.16)	(703,435.76)	-	(10,070,745.92)
Total	(13,766,281.63)	(1,328,465.42)	-	(15,094,747.05)
Net	2,030,939.12			2,537,476.65

The Company has entered into a lease agreement of land for constructing of coal storage, as follow :-

1) The land lease agreement for land plot 21-1-86.7 rai in Tambol Chaimongkol, Samutsakorn has a lease term of 3 years from March 1, 2006 - February 28, 2009; land plot 13-3-70 rai has a lease term of 10 years from January 1, 2002 - December 31, 2011; and land plot 10 rai has a lease term of 3 years from October 1, 2006 - September 30, 2009.

2) The land lease agreement for land plot 38-2-72 rai in Tambol Klong Sa-kae, Amphur Nakornluang, Ayudhaya province has a lease term of 3 years from May 22, 2007 - May 31, 2010.

**UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2007 AND 2006**

11. NON-OPERATED ASSETS

Non-operated assets consisted of:-

	Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Land at cost	4,724,212.00	4,724,212.00	4,724,212.00	4,724,212.00
<u>Less impairment loss</u>	<u>(2,015,212.00)</u>	<u>(2,015,212.00)</u>	<u>(2,015,212.00)</u>	<u>(2,015,212.00)</u>
Net	<u>2,709,000.00</u>	<u>2,709,000.00</u>	<u>2,709,000.00</u>	<u>2,709,000.00</u>

Non-operated assets are unoccupied of the three unit of lands where locate at Rachabury province, Thailand. The land space is 22-2-30 Rai and its cost amounting to Baht 4.72 million. The lands have been acquired since 1998. Due to land's entrance through into the land had been blocked by others lands nearby so that the Company could not manage the land to be business usefulness. Since 1998, the Company had sued the land owner to claim the right to unblocked the land gateway in accordance with the red court case number 2239/1998. On November 29, 2004, the legal case had been settled in respect of the black court case number 1065/2004. The court had allowed the Company to open the road through the lands nearby but not allowed to construct both of an electric system and waste-water gate system. As a result, the Company has been being to defened against the court solution. At present, the Company has not yet realized the result of defending.

The Company hired a local independent appraiser namely; Chartered Surveyors (Thailand) Ltd. to appraise the value of its non-operating land on the date of July 6, 2006, the value was appraised in the amount of Baht 2.71 million which is under than the carrying value of Baht 2.02 million. The Company recognized the declining value of Baht 2.02 million as the impairment loss of such land under the income statement for the year ended December 31, 2006.

12. OTHER NON-CURRENT ASSETS - OTHERS

Other non-current assets - others consisted of:-

	Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Others deposit	5,066,110.85	1,975,271.04	3,585,616.85	1,975,271.04

Software, net	1,806,235.30	2,127,711.04	1,647,594.20	2,127,711.04
Prepaid rental fee	2,138,011.72	1,520,467.86	2,138,011.72	1,520,467.86
	<u>9,010,357.87</u>	<u>5,623,449.94</u>	<u>7,371,222.77</u>	<u>5,623,449.94</u>

**UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2007 AND 2006**

13. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Short-term loans from financial institutions consisted of:-

	Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Trust receipts	539,630,697.00	329,766,748.06	539,630,697.00	329,766,748.06
Short-term loans	-	14,879,167.10	-	14,879,167.10
Total	<u>539,630,697.00</u>	<u>344,645,915.16</u>	<u>539,630,697.00</u>	<u>344,645,915.16</u>

As at December 31, 2007 and 2006, short-term loans from financial institute as mentioned above are derived under the credit facilities in the note to financial statement no. 14. Addition, the said short-term loans are not pledged by any property or guaranteed by the directors of the company.

14. CREDIT FACILITIES

As at December 31, 2007 and 2006, the Company has credit facilities with the local banks, consisted of:-

- 14.1 Bank overdraft with five banks and four banks in limit totalling amount of Baht 36.50 million and Baht 28 million, respectively.
- 14.2 Forward contracts with five banks in limit totalling amount of Baht 620 million, USD 5 million and Baht 380.80 million, respectively.
- 14.3 Letter of credit and trust receipt with nine banks and seven banks in limit totalling amount of Baht 1,370 million and Baht 1,135 million, respectively.
- 14.4 Promissory note with a bank in limit totalling amount of Baht 2 million and Baht 1 million, respectively.
- 14.5 Credit line of working capital for preserving of energy project in the amounting of Baht 4 million.
- 14.6 Long-term loans with a bank in limit totalling amount of Baht 212 million.
- 14.7 Letter of guarantee with a bank in limit totalling amount of Baht 2 million and Baht 1 million, respectively.

Bank overdrafts banks in limit totalling amount of Baht 33.55 million, forward contracts, letter of credit and trust receipt, promissory note and letter of guarantee were clean loans.

Bank overdrafts banks in limit totalling amount of Baht 3 million and long-term loan were guaranteed by the Company's land, the structure in progress on land (warehouse and port) (see note 10), including future construction and machines that shall be installed on such land, in the principal amount of Baht 215 million.

**UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

**NOTES TO FINANCIAL STATEMENTS (CONT.)**

**DECEMBER 31, 2007 AND 2006**

15. LIABILITY UNDER DEBT RESTRUCTURING AGREEMENT

Liability under debt restructuring agreement consisted of:-

	Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Liability under debt restructuring agreement	-	11,880,208.60	-	11,880,208.60
<u>Less</u> portion due within one year	-	(9,056,557.17)	-	(9,056,557.17)
	-	2,823,651.43	-	2,823,651.43

On December 19, 2002, the Company entered into a debt restructuring agreement with a local bank for loan and related accrued interest totalling Baht 36.33 million by changing in repayment schedule and interest rate. The Company received discount on accrued interest of Baht 0.96 million. The Company committed to repay the loan as specified in the agreement and bears interest at MLR minus 1% per annum.

The Company shall repay the principal and interest as follow:-

Year	Monthly repayment
2003	300,000
2004	500,000
2005	800,000
2006	800,000
2007	800,000
2008	the remaining balance

Liability under debt restructuring agreement is guaranteed by directors.

The Company records interest expense into the account at the effective rate of 5.0569% per annum.

On February 28, 2007, The Company had taken out a loan from a local bank in order to settle up the debts under the debt restructuring agreement above (see note 16) which were paid back earlier than the due date specified in the agreement. However, the Company was not fined by the former bank as it managed to repay before the due date in the agreement.

16. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

Long-term loans from financial institutions consisted of:-

	Baht	
	Consolidated	The Company Only

	As at September 30, 2007	As at December 31, 2006	As at September 30, 2007	As at December 31, 2006
Long-term loans from financial institutions	7,242,000.00	-	7,242,000.00	-
<u>Less</u> portion due within one year	<u>(5,940,000.00)</u>	<u>-</u>	<u>(5,940,000.00)</u>	<u>-</u>
	<u>1,302,000.00</u>	<u>-</u>	<u>1,302,000.00</u>	<u>-</u>

**UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2007 AND 2006**

16.1 Since June 23, 2006, the Company had entered into loan agreement with a domestic bank in a credit line of Baht 17 million and on February 28, 2007 the Company had committed the loan with such bank in the amount of Baht 11 million, bearing of interest rate at MLR-1 per annum, repayment within 2 years since the loaning date (February 28, 2009). The Company shall pay a principal of Baht 710,000 per month for first (1) month to twenty - third (23) month and of Baht 670,000 for final month (24).

16.2 On September 28, 2007, the Company obtained a loan in working capital for preserving of energy project from a domestic bank of Baht 3,852,000.00 to built a moisture reduction machine (Rotary Drum Dryer). This project is the co-project between a bank with government (Department of Alternative Energy Development and Efficiency) The Company has to pay monthly interest at the rate of 4% per annum and principle repayment of Baht 170,000 per month within 2 years since the date of first withdrawal of loan.

These long - term loans are under the loan facilities as disclosed in Note 14.

**17. LIABILITIES UNDER FINANCIAL LEASES CONTRACTS**

Liabilities under financial lease contracts consisted of:

	Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Financial lease	25,454,756.64	1,118,706.51	5,425,981.29	1,118,706.51
<u>Less</u> deferred interest	<u>(2,829,410.96)</u>	<u>(64,039.22)</u>	<u>(609,689.24)</u>	<u>(64,039.22)</u>
	22,625,345.68	1,054,667.29	4,816,292.05	1,054,667.29
<u>Less</u> current portion due within one year	<u>(5,471,493.37)</u>	<u>(684,671.41)</u>	<u>(1,202,148.93)</u>	<u>(684,671.41)</u>
Financial lease, net	<u>17,153,852.31</u>	<u>369,995.88</u>	<u>3,614,143.12</u>	<u>369,995.88</u>

17.1 On January 29, 2004 and February 2, 2004, the Company has entered into two financial leases contracts with a local company to purchase vehicles on the value amount of Baht 2,799,400.00 per each contract (excluded VAT) be comprised of the terms of 48 monthly installments and repaid per month of Baht 61,996.00 per each contract, the first installment starting from February 2, 2004, and the final installment at February 24, 2007.

On June 27, 2006 and September 6, 2007, the Company sold the vehicle of two financial lease contract to other person by bidding method. The Company repaid the lessor its principal

remaining on book value of Baht 1,378,119.60 and Baht 663,462.72 (excluded interest), respectively.

17.2 On August 21, 2007, the Company has entered into financial lease contract with a local company to purchase vehicle on the value amount of Baht 5,200,000.00 (excluded VAT) be comprised of the term of 48 monthly installments and repaid per month of Baht 123,317.76, the first installment starting from September 25, 2007 and the final installment at September 25, 2011.

## UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

### NOTES TO FINANCIAL STATEMENTS (CONT.)

#### DECEMBER 31, 2007 AND 2006

Under the terms of leases referred to above, the Company shall have the right to purchase assets at the price of Baht 2,000,000.00 at the expiration date of the leases and the Company shall have to comply with certain conditions and restrictions as specified in this leases.

17.3 On September 29, 2007, the subsidiary has entered into seven financial lease contracts with a local company to purchase vehicles on the value amount of Baht 1,888,000.00 per each contract (excluded VAT ) be comprised of the terms of 48 monthly installments and repaid per month of Baht 44,773.83 per each contract, the first installment starting from November 25, 2007, and the final installment at November 25, 2011.

Under the terms of leases referred to above, the Company shall have the right to purchase assets at the price of Baht 441,121.50 per each contract at the expiration date of the leases and the Company shall have to comply with certain conditions and restrictions as specified in this leases.

17.4 On October 1, 2007, the subsidiary has entered into three financial lease contracts with a local company to purchase vehicle on the value amount of Baht 1,728,000.00 per each contract (excluded VAT) be comprised of the term of 48 monthly installments and repaid per month of Baht 40,979.44, the first installment starting from December 25, 2007 and the final installment at December 25, 2011.

Under the terms of leases referred to above, the Company shall have the right to purchase assets at the price of Baht 403,738.32 per each contract at the expiration date of the leases and the Company shall have to comply with certain conditions and restrictions as specified in this leases.

#### 18. LIABILITIES UNDER HIRE-PURCHASE CONTRACTS

Liabilities under hire-purchase contracts consisted of:-

	Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Hire-purchase contract - vehicles	690,583.87	359,784.87	690,583.87	359,784.87
<u>Less</u> deferred interest	<u>(73,021.72)</u>	<u>(34,444.24)</u>	<u>(73,021.72)</u>	<u>(34,444.24)</u>

	617,562.15	325,340.63	617,562.15	325,340.63
Less portion due within one year	(208,283.22)	(180,655.00)	(208,283.22)	(180,655.00)
	<u>409,278.93</u>	<u>144,685.63</u>	<u>409,278.93</u>	<u>144,685.63</u>

The ownership on the assets purchased under hire-purchase contracts will be transferred to the Company when the last installment has been paid.

**UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2007 AND 2006**

19. SHARE CAPITAL

At the ordinary meeting for the year 2007 held on March 30, 2007 the shareholders unanimously approved to reduce its share par value from 1 Baht each to be 0.50 Baht each. This caused the Company's registered shares increased to 140,000,000 share from the former 70,000,000 shares, and also approved to increase its share capital from the amounting of Baht 70 million to Baht 105 million. The increasing shares had been registered with the Commercial Department on April 11, 2007. The increased ordinary shares capital of Baht 35 million at 0.50 Baht each by 70 million shares are distributed to the existing shareholder by offering warrant for buying them by the following conditions. 1) at the offering ratio by 2 existing share per 1 warrant, 2) at the exercise price of Baht 8.50 per 1 warrant, 3) at the exercise rate by 1 warrant per 1 common shares, 4) issuing date and offering of warrant: on the date of November 6, 2007, and 5) identifying the first exercise date on December 28, 2007. In case, the existing shareholders had exercised all their right on the said warrant, then it will cause common shares increased in proximately at 70 million shares.

The Company has derived the approval for offering warrant and common stock to bear to the said warrant to its existing shareholders from Securities and Exchange Commission and Stock Exchange of Thailand in accordance with the letter of Sec. Gor. 2193/2550 dated October 5, 2007.

20. LEGAL RESERVE

Under the provision of the civil and commercial code, the Company is required to set aside as statutory reserve at least 5% of its net income at each dividend declaration until the reserve reaches 10% of authorized capital. The reserve is not available for dividend distribution.

21. APPROPRIATION OF RETAINED EARNINGS

2007

At the ordinary meeting for the year 2007 held on March 30, 2007 the shareholders unanimously approved to pay dividend from the operating results ended December 31, 2006 in the amount of Baht 35,000,000.00 appropriated for 70,000,000.00 shares of Baht 0.50 each, be paid on April 27, 2007.

At the board of directors meeting, no. 4/2007 on August 10, 2007, the board of directors unanimously approved to pay interim dividend from the operating results for the six-month period in the amount of Baht 70,000,000.00 appropriated for 140,000,000.00 shares of Baht 0.50 each, be paid on September 7, 2007.

#### 2006

At the ordinary meeting for the year 2006 held, on April 7, 2006 the shareholders unanimously approved to pay dividend from the operating results ended December 31, 2005 in the amount of Baht 70,000,000.00 appropriated for 70,000,000.00 shares of Baht 1.00 each, shall be paid on May 4, 2006 and appropriated the legal reserve in the amount of Baht 273,037.84.

### **UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

#### **NOTES TO FINANCIAL STATEMENTS (CONT.)**

#### **DECEMBER 31, 2007 AND 2006**

At the 6/2006 Company's director meeting held on November 10, 2006, the directors unanimously approved to pay interim dividend from the operating results since January 1, 2006 to September 30, 2006 in the amount of Baht 70,000,000.00 appropriated for 70,000,000.00 shares of Baht 1.00 each, shall be paid on December 7, 2006.

#### 22. WARRANTS

On December 28, 2007, a total of 5,028,100 ordinary shares were subscribed from the exercise of warrants above at Baht 0.50 per share in total of Baht 2,514,050.00. The Company recorded the total share premium of Baht 40,224,800.00 arising because the above exercise price was upper than par value.

The Company fully received the common shares exercised in the total amount of Baht 42,738,850.00 since the first exercise date. The subscribed to common shares of Baht 42,738,850.00 was presented under subscription received account and classified in current liabilities

64.97 million units of warrant are remained as at December 31, 2007.

#### 23. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit (loss) for the years by the weighted average number of ordinary shares in issued and paid-up during the years.

	Consolidated		The Company's Statements	
	Statements of income		of income Only	
	2007	2006	2007	2006
		(Adjust)		(Adjust)
Net profit of ordinary shares (Baht)	363,981,866.47	173,702,837.33	370,824,889.58	173,844,880.33
Weighted average number of ordinary shares (Shares)	140,000,000.00	140,000,000	140,000,000	140,000,000
Basic earnings per share (Baht per share)	2.60	1.24	2.65	1.24

For comparison purposes, the Company has recalculated earnings per share and diluted earnings per share for the years ended December 31, 2006 by considering the weighted average number of ordinary shares which had changed in par value and in the number of shares in accordance with the amendment to par values and number of share.

## 24. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

Risks relating to significant financial instruments held by the company and its risk management policy are summarized as follows.

**UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2007 AND 2006**

### Credit risk

The Company is exposed to credit risk primarily with respect to trade and notes accounts receivable.

The Company's prudent credit policy and its diversified customer. The maximum credit risk exposure is equal to the book value of accounts receivable in the balance sheet.

### Interest rate risk

The interest rate risk is the risk that future movements in market interest rates will affect the results of the company's operations and its cash flows. The Company's exposure to interest rate risk relates primarily to short-term loans from financial institution, long-term loans and liability under debt restructuring agreement with a floating interest rate.

### Liquidity risk

Liquidity risk, or funding risk, is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell financial assets quickly at close to their fair value.

The Company's financial assets comprises of cash, deposits at financial institutions, accounts receivable and inventories which are liquid and able to sell at close to their fair value when the Company wishes to raise find.

### Foreign currency risk

The Company's exposure to foreign currency risk relates to its trust receipts in US dollars. For the period, the Company primarily utilizes forward exchange contracts with maturity of less than one year to hedge exchange rate risk relating to the repayment of the trust receipts.

Forward exchange contracts outstanding on December 31, 2007 are summarized below,

	Foreign Currency	Amount	Exchange rates Baht / USD	Maturity
Trust receipts accounts	USD	458,401.33	33.680	January 3, 2008

USD	1,271,971.40	33.485	January 3, 2008
USD	130,289.35	33.540	January 4, 2008
USD	60,465.97	33.720	January 10, 2008
USD	283,349.34	33.640	February 1, 2008
USD	140,000.00	33.630	February 4, 2008
USD	1,496,452.60	33.630	February 4, 2008
	<u>3,840,929.99</u>		

**UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2007 AND 2006**

As at December 31, 2006, the Company has outstanding balance of transaction of forward exchange contracts are summarized below,

	Foreign Currency	Amount	Exchange rates Baht / USD	Maturity
Trust receipts accounts	USD	155,500.00	35.955	January 8, 2007
	USD	300,000.00	35.758	January 8, 2007
	USD	500,000.00	37.520	January 10, 2007
	USD	200,000.00	37.570	January 12, 2007
	USD	300,000.00	35.700	January 12, 2007
	USD	200,000.00	37.500	January 16, 2007
	USD	300,000.00	37.450	January 16, 2007
	USD	300,000.00	35.640	January 16, 2007
	USD	900,000.00	35.560	January 16, 2007
	USD	115,782.91	35.325	January 16, 2007
	USD	185,320.73	37.490	January 17, 2007
	USD	112,050.00	36.790	February 2, 2007
	USD	150,000.00	36.710	February 5, 2007
	USD	200,000.00	36.240	March 1, 2007
	USD	300,000.00	36.160	March 6, 2007
	USD	300,000.00	36.060	March 6, 2007
	USD	300,000.00	37.440	March 15, 2007
	USD	202,692.50	37.370	March 19, 2007
	USD	500,000.00	37.346	March 21, 2007
	USD	200,000.00	37.310	March 26, 2007
	USD	300,000.00	37.600	March 26, 2007
	USD	200,000.00	37.497	March 26, 2007
	USD	200,000.00	37.547	March 26, 2007
	USD	<u>44,400.10</u>	37.548	April 2, 2007

6,465,746.24

Fair value of financial instruments

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction. Fair values are obtained from quoted market prices or discounted cash flow models.

The carrying values of financial assets and liabilities is approximate their fair values except for liabilities under financial leases and hire-purchase cannot be calculated their fair values, accordingly, no disclosure is made.

**UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2007 AND 2006**

25. RELATED PARTY TRANSACTIONS

The Company has significant transactions with its related company, those transactions are in the normal course of business as follows:

	Type of related	Pricing policy	Baht			
			Consolidated		The Company Only	
			2007	2006	2006	2006
<u>Transactions during the year</u>						
Interest income						
UMS Lighter Co., Ltd.	Shareholder and co-director	1.5% per month	-	-	102,532.58	-
Rental income						
UMS Lighter Co., Ltd.	Shareholder and co-director	Agreed price/ compared with market price	-	-	119,684.22	-
Sale of asset						
UMS Lighter Co., Ltd.	Shareholder and co-director	Agreed price/ compared with market price	-	-	416,677.05	-
Boat conveyance expense						
UMS Lighter Co., Ltd.	Shareholder and co-director	Agreed price/ compared with market price	-	-	46,032,842.70	-
Goods insurance expense						
P.A.P Insurance Co., Ltd.	Co-director	Market Price	932,753.00	2,090,498.47	932,753.00	2,090,498.47
<u>Ending balance of the year</u>						
Other receivable						
UMS Lighter Co., Ltd.			-	-	123,063.61	-

UMS Transportation Co., Ltd.	-	-	80,000.00	-
Trade account payable				
UMS Lighter Co., Ltd.	-	-	8,664,912.99	-
Accrued expense				
UMS Lighter Co., Ltd.	-	-	774,419.65	-
P.A.P Insurance Co., Ltd.	128,296.21	70,378.00	128,296.21	70,378.00

**UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
DECEMBER 31, 2007 AND 2006**

**26. AGREEMENTS**

As at December 31, 2007, the Company had significant agreements, as follow:-

- (a) The Company has a commitment under 10 years land lease agreement from 2002 to 2011. There is a rental commitment outstanding approximately of Baht 0.77 million. The fifth to seventh rental charges will be paid in 2006, 2008 and 2010 at Baht 384,000.00 each.
- (b) The Company has a rental agreement covering the land and warehouse with other private person for the period of 3 years commencing since the year 2006 to 2009. The Company fully paid the rental fee in advance in the amount of Baht 2.84 million. As at December 31, 2006, the said advance rental fee is recognized as prepaid expenses under current asset which will be amortized to be an expense in the straight line of its three (3) years services.
- (c) The Company has entered into a land rental agreement with other person for three years long. The Company has to pay rental charge at the agreed rate since 2007 to 2010. The Company has obligation of rental charge to be paid in totaling of Baht 3.26 million which is calculated from 9 to 36 monthly rental charge of Baht 105,000 each. Moreover, the Company has paid a deposit to the landlord in the amount of Baht 1.8 million.
- (d) The Company has significant contracts for sale and purchase of steam coal with foreign coal mining company to purchase steam coal during 2007 to 2009 for 600,000 - 1,000,000 metric tons. The firmed committed quantity in 2007 is 600,000 metric tons plus/minus 10%. In the additional, in the year 2007, the Company has contracts for sale and purchase of steam coal with other foreign coal suppliers to purchase steam coal for 200,000 - 450,000 metric tons plus/minus 10%. The firmed price of coal shall be adjusted by the quality of coal as the formular as specified in the agreement.
- (e) The Company has the commitment according to four hiring of local contract to fill in with soil and design contract of warehouse and port construction, to design and install coal dryer and mixer cap in the amount of Baht 43.53 million (Excluded VAT).

## 27. FINANCIAL INFORMATION BY SEGMENT

The Company has engaged to sale of coal for industrial usages which operates completely in Thailand, then the Company do not require to follow a supplemental disclosure of segment information standard. However, a subsidiary has run its business that is relevant to the core business of the Company such as transportation services on both channel road and ship as a result the supplemental disclosure of segment information are presented as follows:-

	Baht					
	Consolidated					
	Sales		Service		Total	
	2007	2006	2007	2006	2007	2006
Income	2,438,128,810.17	1,373,006,434.07	30,604,327.57	-	2,468,733,137.74	1,373,006,434.07
Cost	(1,687,182,066.74)	(953,335,711.76)	(27,859,849.99)	-	(1,715,041,916.73)	(953,335,711.76)
Margin	<u>750,946,743.43</u>	<u>419,670,722.31</u>	<u>2,744,477.58</u>	<u>-</u>	<u>753,691,221.01</u>	<u>419,670,722.31</u>
Fixed asset, net					<u>481,560,400.99</u>	<u>158,471,001.04</u>

### UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

#### NOTES TO FINANCIAL STATEMENTS (CONT.)

#### DECEMBER 31, 2007 AND 2006

## 28. OTHER RECEIVABLE

A subsidiary has hired a freight forwarder in accordance with hiring agreement dated on September 18, 2007 and a deposit of Baht 7 million has been prepaid to comply with the term of this agreement. Consequently, such person has failed to render the services and refused to return all the deposit to the subsidiary. Hence, the subsidiary has forced two companies to effort the debt as a guarantor of this agreement, the details of the settlement method are shown below:

28.1 In accordance with the obligation acceptance letter dated September 24, 2007, a company is obligated to pay a debt in the amount of Baht 3.5 million by exchanging with the provided service charge that the subsidiary has to pay for utilizing such service based on a monthly rate of Baht 84,000. The first installment will be settled on October 31, 2007 and the rest of the installment at every ending of each month. The said account receivable has to fulfill the contractual obligation within December 31, 2008.

28.2 According to a price quotation and purchase order for account settlement dated October 11, 2007, a company has accepted an obligation to pay the amount of debt of Baht 3.5 million. The said company has compromised to settle the debt by exchanging its services with the subsidiary; however, this must be done under the price that is determined in the price quotation as mentioned above. Currently, the price quotation is under consideration of the subsidiary.

A subsidiary has fully reserved an allowance for doubtful debt of such uncollectible account receivable in amounting of Baht 7.0 million. Received repayment from the two guarantors companies as mentioned above will be recognized as an other income within that receiving period. However, the subsidiary was already repaid at Baht 0.67 million during the year 2007. Therefore, the remaining allowance for doubtful debts as at December 31, 2007 amounted to Baht 6.33 million.

## 29. ACOMMITMENT AND OBLIGATION

As at December 31, 2007, the Company has future obligations to pay under the lease and service agreements as follows:-

Payable within :	Million Baht	
	<u>Consolidated</u>	<u>The Company Only</u>
1 Year	16.64	7.80
2 - 3 Year	10.95	8.11

The obligations above include the lease agreements as detailed in note 26 (a), (b) and (c).

### 30. AUTHORIZATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements are authorized to issue by the directors of the company on the date of February 7, 2008.